



ENERGY ASSURANCE DAILY

Friday, July 21, 2006

Major Developments

New Storm Hits St. Louis July 21, At Least 580,000 Ameren Customers Without Power Missouri Governor Declares State of Emergency, National Guard Deployed

Another severe storm ravaged the St. Louis area again today, knocking out power to more Ameren UE customers. Preliminary outage figures from Ameren UE's website show about 580,000 customers without power at 3:26 p.m. this afternoon. A company press release earlier this morning said that outages from Wednesday's storm had been reduced to 320,000, meaning the new storm caused at least 260,000 new outages. Ameren officials said that customers who lost power during Wednesday's storm would not be restored until Monday. Missouri Governor Matt Blunt declared a state of emergency and authorized the National Guard to take people to air-conditioned public buildings and clear debris.

St. Louis Power Outages			
July 21, 2006			
Electric Power Producers	State	Peak	Current
Ameren UE	Missouri, Illinois	580,000	Outage Information
TOTAL*		580,000	

*Total outages only represent electric power generators listed in this table.

Sources:

Reuters, 15:06 July 21, 2006

http://www.ameren.com/AboutUs/adc_newsfull.asp?NewsSeqID=528

<http://abcnews.go.com/US/wireStory?id=2218518>

Update: ConocoPhillips' Wood River Refinery Still Down After Ameren Power Outage, Energy News Today Says Plant Could be Offline for 2 Weeks

ConocoPhillips' 306,000 b/d refinery in Wood River, Illinois was still offline today, two days after shutting due a power outage during the storm Wednesday night. ConocoPhillips' has not said when it plans to restart the refinery or what effect the shutdown will have on gasoline supplies. According to a report in Energy News Today, the company may require as long as two weeks to return the refinery to normal operations. Yesterday, traders said that the plant would likely be shut for 3 to 5 days, assuming there was no damage to the refinery during the shutdown. The Wood River refinery accounts for about 9 percent of U.S. Midwest (PADD 2) refining capacity.

<http://www.chron.com/disp/story.mpl/ap/fn/4063297.html>

Bloomberg News, 13:19 July 21, 2006

Update: Two Major Oil Pipelines Shut Briefly Due to Ameren Power Outages July 19

Wednesday's storm-induced outages briefly shut operations on two major petroleum pipelines that run through Ameren UE's service area in Missouri and Illinois. The 700,000 b/d Explorer refined products pipeline was shut for four hours on Wednesday night but according to a company official, the shutdown had no impact on deliveries because of slack in the pipeline's schedule. Kinder Morgan's 150,000 b/d Platte crude oil pipeline shut for 9 hours before restarting on Thursday morning. The Explorer pipeline delivers refined products from the Gulf Coast to markets in the Midwest and the Platte pipeline delivers crude oil produced in Canada to the Midwest refining markets.

Reuters, 15:26 July 20, 2006

Reuters, 14:37 July 20, 2006

Update: Fire Continues to Burn at Providence, Rhode Island Fuel Terminal July 21 Gasoline Supplies Running Low at Some Area Shell Stations

According to the *Providence Journal*, the dock at Motiva's 1.4 million b/d refined products terminal continues to burn and remains closed. The fire, which started July 18, is believed to have been caused by a lightning strike. Firefighters have suspended active operations since the fire is currently inaccessible and fuel continues to leak from the terminal. The *Journal* also reports that the closure has caused some Shell stations in Rhode Island and Cape Cod to run low or run out of at least one grade of gasoline. According to *Journal* sources, Shell is bringing in supplies from other areas and is working with other companies to supply the affected stations. At present, there is no indication on when the terminal will resume operation.

http://www.projo.com/news/content/projo_20060721_21fire.164d149.html

Electricity

Update: 25,000 Con Edison Customers Without Power in New York City for Fifth Day

For a fifth day in Queens, one of the five New York City boroughs, an unknown electrical problem has caused subway delays, flight cancellations, and power outages, affecting 25,000 customers. Con Edison is "making every effort" to fix the problem but could not estimate when it would be fixed, according to a company spokesperson. He speculated the cause might be heat related but could not confirm.

<http://www.newsday.com/news/nationworld/wire/sns-ap-nyc-blackouts.0.3792436.story?coll=sns-ap-nationworld-headlines>

Update: OPG's 494 MW Coal-fired Lambton Unit 3 Back in Service in Ontario July 21

Reuters, 08:10 July 21, 2006

NRG/Dynegy's 335 MW Gas-fired El Segundo Unit 3 in California Shut July 20

Reuters 08:22 July 21, 2006

All Seven ISO/RTOs Break New Record Demand This Week

Due to the record temperatures, all seven U.S. independent system operators (ISO's) and regional transmission organizations (RTOs) set new demand records this week. A new aggregate electricity usage peak record of 483,233 MW was reported this week. Last year's peak was 475,171 MW.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6927497

FERC Grants NERC Legal Powers to Enforce Electric Reliability Standards in U.S.

FERC has approved the North American Electric Reliability Council (NERC) to become the Electric Reliability Organization (ERO) for the U.S., granting NERC the legal authority to enforce reliability standards on owners and operators, as well as users of the bulk power system. NERC's ability to enforce compliance with industry reliability standards will replace reliance on voluntary compliance. NERC is working to gain similar recognition in Canada.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6927177

Update: FERC Conditionally Approves 190-mile Alberta-Montana Transmission Line

FERC has conditionally approved a 190-mile cross-border transmission line running from Lethbridge, Alberta to Great Falls, Montana. The project still needs approval from the U.S. Department of Energy and the Canadian government. If approved, it would be the first line to directly connect the Alberta and Montana power grids.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6927609

Petroleum

Switch to New Low Sulfur Diesel Pinches Supplies in Nebraska

Bloomberg News reports that diesel is in short supply in Nebraska due to the switch to the new ultra low sulfur diesel (ULSD). In preparation for the switch, many terminals reduced supplies. Now refinery and pipeline problems have combined with the reduced inventories to cause a shortfall. Because of these problems, some suppliers have had to bring in fuel by truck from other states. An analyst for the Nebraska Energy Office said that while supplies are extremely low, he is hopeful that the situation will improve over the coming weekend.

Bloomberg, 12:35 July 21, 2006

Fire at PDVSA's Amuay Refinery in Venezuela Delays Shipment of Naphtha

PDVSA is delaying a shipment of naphtha by a month because of problems caused by the fire at its 640,000 b/d Amuay refinery. Any problems in supplying PDVSA's U.S. subsidiary Citgo are expected to be addressed through purchases on the spot market.
Reuters, 10:41 July 21, 2006

Compressor Trips at Lyondell-Citgo's 270,000 b/d Refinery in Texas, Sulfur Dioxide Released

Reuters, 08:37 July 21, 2006

Natural Gas

Southern Union Completes 300 MMcf/d Phase II Expansion of Trunkline LNG Terminal in Louisiana

Southern Union Co. has completed the Phase of II expansion of the largest LNG terminal in North America. This expansion increased the capacity at the Trunkline terminal in Louisiana from 1.8 Bcf/d to 2.1 Bcf/d.

<http://biz.yahoo.com/bw/060721/20060721005082.html?v=1>

FERC Authorizes Cheniere to Begin 1.4 Bcf/d Sabine Pass LNG Terminal Expansion

FERC has authorized Cheniere Energy, Inc. to commence construction on an expansion of the Sabine LNG receiving terminal in western Cameron Parish, Louisiana. The expansion will increase the terminal's capacity from 2.6 Bcf/d to 4 Bcf/d. The initial start-up of 2.6 Bcf/d is projected for completion in early 2008, and the expansion is planned to be completed in 2009.

<http://biz.yahoo.com/bw/060720/20060720005823.html?v=1>

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6926877

Other News

DOE Allocates Supercomputing Resources to Study Future Hurricane Effects on Gulf Coast

The U.S. Department of Energy has allocated an additional 400,000 supercomputing processor-hours to the Army Corps of Engineers to simulate hurricanes in the Gulf Coast. This will expand the area of hurricane simulations to include the coastlines of Louisiana, Mississippi, and Texas enabling researchers to produce more accurate forecasting models of hurricane effects.

<http://www.energy.gov/news/3846.htm>

Louisiana Sues Federal Government to Block GOM Oil and Gas Exploration

Governor Kathleen Blanco has filed a lawsuit against the federal government seeking to block the lease sale of 4,000 blocks of the western Gulf of Mexico for oil and gas exploration. The suit accuses the U.S. Minerals Management Service of disregarding the environmental damage that drilling causes. Although the suit does not ask for monetary compensation, it represents the state's attempt to increase its cut of royalties that oil and gas companies pay to the federal government.

<http://www.newsday.com/news/nationworld/wire/sns-ap-louisiana-offshore-leases.0.1557341.story?coll=sns-ap-nationworld-headlines>

Energy Prices

U.S. Oil and Gas Prices July 21, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	73.45	76.80	57.31
NATURAL GAS Henry Hub \$/Million Btu	6.14	6.28	7.64

Source: Reuters

Energy Notes

California ISO Restricts Planned Maintenance Work on Power Plants, No Conservation Alert Likely July 21

Reuters, 20:01 July 20, 2006

Update: Tropical Storm Beryl Weakens and Heads Out to Sea

Reuters, 10:10 July 21, 2006

Storms, Blackouts Raise Concerns About Condition of Electricity Infrastructure

Reuters, 12:45 July 21, 2006

FERC Approves Rule to Give Utilities Long-Term Transmission Rights

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6926841

FERC Threatens to Impose Penalties on Tennessee Valley Authority

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6926883

DOE SETS Date of 2008 to Submit Application for Yucca Mountain Nuke Waste Site

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6925198

North American Utilities Reviewing Advanced “Smarter Grid” Technology

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8kowu%5D%5BhipqkoYTk%7DGJ%7BbfeI%5Dv>

Plans to Generate Renewable Natural Gas from Dairy Waste in California

<http://www.intellisearchnow.com/branding/188/contentreader.html?http://c.moreover.com/click/here.pl?z587485017&z=750238055>

MSHA More Than Doubles Pressures Resistance Requirement for New Alternative Seals in Coal Mines

<http://www.platts.com/Coal/News/7613890.xml?p=Coal/News&sub=Coal>

Washington Gas Requests Rehearing at FERC Regarding Cove Point LNG Terminal Expansion

<http://biz.yahoo.com/prnews/060720/dcth056.html?.v=51>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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